



Connecticut's Official Health Insurance Marketplace

**Testimony of Access Health CT  
Before the  
Connecticut General Assembly Insurance and Real Estate Committee  
March 3, 2015**

***Senate Bill 1025: AN ACT AUTHORIZING THE CONNECTICUT HEALTH  
INSURANCE EXCHANGE TO ESTABLISH SUBSIDIARIES.***

Good Afternoon Senator Crisco and Representative Megna, members of the Insurance and Real Estate Committee.

My name is Jim Wadleigh, Chief Executive Officer of Access Health CT, the Connecticut State Health Insurance Exchange.

Thank you for the opportunity to give testimony before your committee.

I'm here today to speak in strong support of Senate Bill 1025, which was submitted by Access Health CT and seeks to allow our organization the legal ability to establish subsidiaries. Many other governmental and quasi-public entities in the state of Connecticut have the authority to create and have created legal subsidiaries to help further their public purposes. Those entities that have established subsidiaries have the legislative authority to do so in their enabling legislation. The reasons for Access Health CT pursuing this path are (i) to support the exchange's need to be financially self-sustaining, and (ii) to allow the exchange to offer ancillary lines of business that will also support the exchange's operations. State and federal law require the exchange to be financially self-sustaining, and while the exchange is currently charging a market-wide carrier assessment, this funding alone may be insufficient to fund the exchange's operations. Therefore, the exchange will need to generate other sources of revenue to support its public purpose.

The expertise, business processes and technology developed by the exchange over the past three years have significant value. This value can be captured for the benefit of the exchange through active marketing of these services to entities such as other state exchanges, public or private health insurance marketplaces, or third party vendors serving these exchanges or marketplaces, as examples.

As we look to pursue this avenue, these types of activities can be conducted most efficiently, and risks to the exchange more effectively managed, if such activities are conducted by subsidiaries of the exchange.

To date we have seen robust interest in Access Health CT's offerings, with states like Maryland already utilizing portions of our underlying IT code, and taking advantage of Access Health CT's training materials and curriculum. Conversations with other states and organizations are ongoing, taking place under the direction of Peter VanLoon who is the director of Access Health Exchange Solutions, the current division within Access Health CT which is pursuing this innovative concept. The exchange is also interested in offering ancillary products, such as vision benefits and adult only dental insurance products, but federal regulation prohibits the exchange from offering such other lines of business unless they are offered through separate legal entities.

As the exchange continues to serve the residents of the state of Connecticut by providing improved access to health care coverage, and in turn health care services, and as it leads the nation in the development and deployment of a state based marketplace, allowing for the expansion of Access Health CT's services through the creation of legal subsidiaries will help ensure the organization's long term self-sustainability so that it may continue to support the residents of Connecticut.

For all these reasons I ask for your support in moving Senate Bill1025 forward.